

BEIJING REVIEW

A CHINESE WEEKLY OF
NEWS AND VIEWS



• Human Rights in the International Realm

• Behind Those Walls



Prospects for Economic Readjustment

China has lengthened the period for readjusting its national economy. Will this task be fulfilled by 1985?

Rather than a solitary task, China's readjustment work involves a comprehensive, complex process for the national economy to achieve a turn for the better and develop in a sound and steady way.

The principle for readjusting the national economy was laid down in 1979. Two years later this work was stepped up on a large scale. The aim is to remedy the seriously disproportionate development of the economy caused by long years of neglect of the country's actual conditions and violation of objective economic laws. The major tasks in the readjustment are to co-ordinate the relationship between accumulation and consumption, correct the ratio between agriculture and light and heavy industries and cut down the scale of capital construction in order to bring every field of endeavour in line with the nation's available resources. Efforts made since 1979 have paid off, and these tasks have now been basically fulfilled.

Last year, the accumulation rate in the national revenue was reduced to less than 30 per cent; consumer goods production and improvement in the people's livelihood have been given priority and have achieved pronounced progress. A basic balance was struck between revenue and expenditure, with deficits dropping from 17,000 million yuan in 1979 to 2,500

million yuan. Moreover, the rate of price increases was reduced from 6 per cent in 1980 to 2 per cent.

Things continued to pick up during the first six months of 1982. Total industrial output value increased 10.1 per cent compared with the corresponding period of last year. All 29 provinces, municipalities and autonomous regions achieved an all-round increase in industrial output. More important, heavy industrial production, which had dropped for a period, began to grow alongside light industry once its service was reorientated. The replenished supply of commodities brought about a thriving market. These achievements are attributable to the efforts made to further carry out the national economic readjustment policy, increase the quality and variety of products, practise economy and give full scope to science and technology. They also result from the major attention paid to tapping the potential and improving the management of enterprises.

Now it can be said that the hardest time is over and the initial goal of readjusting the economy has been attained. Economic construction has taken the first solid step forward on a road of development commensurate with China's actual conditions.

In the broad sense, however, the work of readjustment has not been completed. "Readjustment, restructuring, consolidation and improvement" will remain the basic policy for the entire Sixth Five-Year Plan

period (1981-85). But "readjustment" will not be the same as before in the next few years. There will not be any more construction scale cuts and no more projects will be cancelled. Instead, the emphasis will be placed on revamping the outdated product mix, the technological makeup and the organization of enterprises so as to rationalize the economic structure, production organization and management system—all for the purpose of increasing economic efficiency.

The Sixth Five-Year Plan, now being mapped out, will feature detailed arrangements for readjustment work prior to 1985. Technical transformation and equipment replacement will be carried out in existing enterprises and efforts will be concentrated on developing energy and other natural resources and improving transport and communications. The construction of a number of projects which have either been cancelled or deferred will be resumed in a planned way. The national economy is expected to develop at a moderate rate during these five years. (The 1982 plan of ensuring a 4 per cent and striving for a 5 per cent economic growth will be fulfilled). The tempo will be quicker by the time of the Seventh Five-Year Plan period (1986-90).

The whole 1980s will be a decade of continued readjustment. After a sound foundation has been established and resources accumulated, China will experience an economic boom. This should occur during the last decade of the 20th century.

— *Economic Editor Wang Dacheng*

LETTERS

"Two Chinas" Plot Opposed

I found the chapter entitled "On US 'Taiwan Relations Act'" in *China and the World (1)* published by *Beijing Review* very interesting. I am a firm supporter of the Government of the People's Republic of China and oppose all who try to undermine its authority, especially regarding its own offshore island (Taiwan).

The so-called "Government of the Republic of China," Taiwan the Republic of China, and Nationalist China, are just words on scraps of paper. Nonetheless, they have altered China's historical course since the people's liberation in 1949.

The United States of America must cease its continued protection of the island of Taiwan, the surrounding smaller islands and the Straits of Taiwan. When this is achieved, a true step will have been made towards bettering relations between the two countries.

I do not believe in any of the "policies" of the "Government of the National Republic of China." There is one China, with Taiwan as its offshore island. Let no one pervert this with an evil plot to create "two Chinas."

Graham Freestone
Rushden, Britain

Answering Timely Questions

"Notes From the Editors" which answers questions in good time is of great help to me. It is also a very interesting column.

You gave examples in the article "The Income Gap" (issue No. 25) in Anhui Province's Chuxian Prefecture and discussed it. But if you had used more charts and pictures, it would be more comprehensive.

The article mentioned average annual per-capita income. Was the figure given the average income of the labour force of the commune members or the average income of the total population?

Moreover, if possible, please give the average number of per-

sons in a peasant household and its average labour force.

Toshio Sato
Yamagata, Japan

The average annual per-capita income mentioned in the article indicates that of the total population. The average number of persons in a peasant household is about five, whereas its labour force accounts for half of the figure. — Ed.

"A Visit to Libya"

I am enthusiastic about your article "A Visit to Libya" (issue No. 20). It has contributed significantly to my knowledge of the world.

I also believe that this article is one in a series of articles printed as a response to US actions in Taiwan.

Step by step you'll take international counter-measures — showing force which arises from the fact that you are not internationally isolated.

The Arab world clearly needs unification. As you know, the problem is overwhelming. On the one hand, feudalism backed up by fanatical religion. On the other hand, situations such as the one in Libya. One thinks that for the Arabs the time is not yet ripe. However, it is a good idea that you are encouraging a progressive Arab world.

J.M. van der Hoeven
Lopic, the Netherlands

I liked your article "Communique on Fulfilment of China's 1981 National Economic Plan" (issue No. 20). The article on Libya ("A Visit to Libya") shows that, given proper leadership, the people can perform miracles.

Abbasi
Rawalpindi, Pakistan

Articles About Chinese History

I am a university student of history and we have a month-long topic of China's national revolutionary movements, but we have little material.

Therefore I would like to see a page or so devoted to China's modern history from the Qing Dynasty to the national revolution-

ary movements of the 1920s or to the present time. We need your magazine to fill the gaps.

Previously I wrote to *Beijing Review* about another topic and you mailed me a book. It helped a lot in studies, so I wish to express my thanks.

Wing Kong Leonce
Anlananarivo, Madagascar

I like history rather than picture-stories. Therefore, I hope you will open a detailed column on Chinese history. In the West few people know much about Chinese history, but it is engrossing. I am interested in 20th-century Chinese history, especially from the founding of the Republic of China in 1911 to 1925 when Sun Yat-sen headed the government in Guangzhou.

Le Duc Christian
Paris, France

I like the column "Articles and Documents" and am also interested in articles about the Chinese revolution. They help me understand China and its history.

Kaseya Ngoy Sungu. Mech
Zaire

Suggestions

Your magazine helps me become better acquainted with the Chinese people and it keeps me informed about your continuing socialist construction.

I think readers would enjoy more articles about life in the countryside, education and China's national minorities. We would also like more detailed articles about some of China's lesser known provinces and cities such as Yunnan, Gansu, Qinghai, Guangxi, Nanning, Lanzhou, Xining, Kunming, Urumqi and Xinjiang.

Lawrence Peck
Los Angeles, Ca., USA

We attach importance to your suggestions and we are preparing reports on these subjects. You may be interested in reading articles such as "Life and Work for Youth in Fujian Countryside" (issue No. 11, 1982), "Worker Education" (issue No. 41, 1981) and "National Regional Autonomy" (issue No. 46, 1981. — Ed.

POLITICAL

Taiwan Compatriots Urged To Discuss Revised Constitution

A high-ranking Chinese official called on compatriots in Taiwan, Xianggang (Hongkong) and Aomen (Macao) and those residing abroad to join in the discussion of the draft of the revised Constitution. Due consideration will be given to their opinions, he said.

In a published statement Peng Zhen, Vice-Chairman of the Standing Committee of the National People's Congress and Vice-Chairman of the Committee for the Revision of the Constitution, said that since the Constitution is the fundamental law of a country, working out a Constitution that gives full expression to the people's will is of extreme importance to guaranteeing the unity and prosperity of our great motherland.

When the draft of the revised Constitution was published at the end of April, the Standing Committee of the National People's Congress decided to organize four months of national discussions among the people in order to solicit opinions for further amendments. For more than two months people throughout China have participated in the discussions and compatriots in Taiwan, Xianggang and Aomen and overseas Chinese have also voiced opinions that will help the revision of the Constitution.

In his statement, Peng Zhen called attention to Article 30 of

the draft Constitution which stipulates: "The state may, where necessary, establish special administrative regions. The rules and regulations in force in special administrative regions shall be stipulated by law according to specific conditions." This legally confirms the basic contents of the 9-point policy concerning Taiwan announced by NPC Standing Committee Chairman Ye Jianying last September and provides a legal basis for the peaceful reunification of the motherland.

One important provision of the 9-point policy is that after the country is reunified, Taiwan can enjoy a high degree of autonomy as a special administrative region and it can retain its armed force. The policy also stipulates that the Central Government will not interfere with the local affairs on Taiwan, nor will it change Taiwan's current socio-economic system, its way of life or its economic and cultural relations with foreign countries.

With regard to overseas Chinese, the revised Constitution stipulates: "The People's Republic of China protects the legitimate rights and interests of Chinese residents abroad and protects the lawful rights and interests of returned overseas Chinese and the relatives of Chinese residents abroad living in China." Peng Zhen said that this clause, which is clearer and more complete than in any of the previous Constitutions, will enable overseas Chinese to share national honours with their 1,000 million compatriots on the mainland.

Peng Zhen expressed the hope that compatriots in Taiwan, Xianggang and Aomen and

those residing overseas will exercise their sacred rights to thoroughly discuss, in various forms and through various channels, the draft of the revised Constitution together with the people of all nationalities on the mainland.

ECONOMIC

Market Changes

Chinese consumers no longer "rush to purchase" on the market but would rather deposit money in the banks and wait for better choices. This is a notable change on the Chinese market today.

Now that prices for commodities have been basically stabilized and supplies are ample, consumers no longer worry about shopping. If they fail to find the articles they want, they usually deposit their money in the banks and wait until the goods they need are available.

Recent market changes are fairly big. Some commodities which were extremely hard to find in the past are now available, while some of those which sold well last year have become unmarketable. This is an indication of stability which finds expression in the continued increase of bank savings. According to the People's Bank of China, the amount of bank savings in the cities and towns (excluding rural areas) totalled 40,688 million yuan at the end of June, 5,274 million more than at the end of 1981. Workers and staff members average 371 yuan in savings per capita, about half of their average yearly wages.

This increased purchasing power has produced a big

change in the pattern of consumption. People in the cities and towns want to buy famous-brand and high-grade durable consumer goods with beautiful designs. Since more and more people have decided to have one child, the demand for high-quality articles for children is rising. Wedding articles are also selling well. Improved living conditions have resulted in increasing numbers of people paying attention to furnishing.

In the countryside where the system of responsibility in production has been established, the demand for small and medium-sized farm tools has increased. This is also true with building materials, food and clothing, because the peasants now have more money in their hands. In the past they usually had to wait until after the autumn harvest before they had extra money, but now they purchase what they want throughout the year.

Changes in the urban and rural markets reflect the fact that the product mix after the readjustment of the national economy is now more reasonable and to the liking of the customers.

First International Tourist Conference

The first international conference on tourism sponsored by the State General Administration for Travel and Tourism and the General Administration of Civil Aviation of China will be held in Beijing from February 28 to March 4, 1983.

The purpose of the conference is to expand China's contacts with people working in the tourist industry in other coun-

tries, exchange experiences with them and introduce them to China's tourist policies, resources and the future prospects of its tourist industry. During the conference, the China International Travel Service and the China Travel Service will conduct business talks with representatives from tourist organizations from all parts of the world about the organization of tourist groups for 1984.

An exhibition will be held on the tourist resources in various provinces, municipalities and autonomous regions. There will be pictures, films, lantern slides and other materials providing information on local conditions, customs and tourist facilities.

Invitations will be extended to representatives of tourist agencies in more than 110 countries and regions throughout the world. Those invited will include leading members of international tourist organizations, ministers in charge of national tourist industries, well-

known personages in the tourist circles, journalists and representatives from foreign airlines, about 1,000 people in all.

The representatives will tour the country after the conference.

In order to make the conference a success, tourist departments throughout China are now making preparations.

China has only recently developed its tourist industry. During the first half of this year, the various travel agencies received a total of 616,000 foreign tourists, overseas Chinese and compatriots from Xianggang (Hongkong) and Aomen (Macao). The China International Travel Service received 18.4 per cent more tourists than in the same period of last year.

More Farm Machines For the Peasants

With the rise of income following the implementation of



A small tractor bought by a peasant household in Helan County in Ningxia whose earnings have increased considerably after the implementation of the responsibility system in production.

the responsibility system in production, more and more peasants are buying small tractors and farm tools.

In 1981, there were 794,000 large and medium-sized tractors and more than 2 million small ones in China's rural areas. Of these, about 380,000 tractors are owned by the peasant households, jointly or separately, 95 per cent being small ones.

The greatest demand is for low-cost, highly efficient medium-sized and small farm machines. However, in many places small tractors, trailers, threshers and water pumps are in short supply.

The peasants use the machines for farming plots of land under their management by contracts signed with their production teams, or as transportation vehicles. Those managing contracted plots sow crops according to a plan and pay an agricultural tax. A portion of their income is deducted for the collective, and they deliver a specified amount of grain and other agricultural products to the state.

Peasants are not permitted to use tractors or other machines for transporting goods over long distances for profiteering purposes. A governmental stipulation also requires that when they use these machines to help their neighbours with farm work, the fees for their services must be equivalent to those paid to state-owned tractor stations.

In 1981, the total capacity of farm machines in the rural areas was 210 million horsepower, 7.8 per cent more than the previous year.

FOREIGN RELATIONS

Samdech Sihanouk Warmly Welcomed

Samdech Norodom Sihanouk, President of Democratic Kampuchea, and Madame Sihanouk arrived in Beijing on July 17.

When Samdech and Madame Sihanouk arrived at their residence, they were greeted by Deng Yingchao, Vice-Chairman of the Standing Committee of the National People's Congress. She presented them with a basket of flowers.

Premier Zhao Ziyang gave a banquet in honour of Samdech and Madame Sihanouk. Premier Zhao and President Sihanouk made warm speeches at the banquet.

Premier Zhao praised Samdech Sihanouk as a patriot who

commands the respect of the Kampuchean people and a far-sighted statesman who has made outstanding contributions to safeguarding his country's independence, sovereignty and territorial integrity. He said: "The Samdech has exerted great efforts to bring about the coalition of various patriotic forces in Kampuchea. We fully support the Samdech's patriotic acts."

Zhao Ziyang continued: "Through long consultations, the patriotic forces in Kampuchea reached agreement on the establishment of the Coalition Government of Democratic Kampuchea and realized the tripartite unity. This conforms to the fundamental interests and aspirations of the Kampuchean people. The formation of the Coalition Government of Democratic Kampuchea marks a new stage in the struggle of the Kampuchean people to strengthen their unity, fight against the Vietnamese aggres-



Premier Zhao gives a banquet in honour of Samdech and Madame Sihanouk.

sors and safeguard their national independence and sovereignty."

He said that China sincerely hopes that Kampuchea will in the future become a peaceful, prosperous, independent, neutral and non-aligned country, working for the well-being of the Kampuchean people and contributing to peace and stability in Southeast Asia.

In his speech at the banquet, Samdech Sihanouk spoke of the formation of the Coalition Government of Democratic Kampuchea. He said that his government recently held its first cabinet meeting which proceeded in an atmosphere of unity. "We have resolved to join hands and carry on the struggle against the Vietnamese aggressors until final victory," he declared.

Speaking of the impression of his trip to the liberated areas in Kampuchea, Sihanouk said that the people there are united and are determined to carry the struggle against the Vietnamese aggressors through to the end and build an independent, neutral and non-aligned country.

In their speeches, both Zhao Ziyang and Sihanouk pointed out that Viet Nam's partial troop withdrawal proposal is a fraud.

Delegation From League Of Arab States

During his meeting with a delegation from the League of Arab States on July 13, Premier Zhao Ziyang reiterated China's firm support for the Palestinian, Lebanese, Syrian and other Arab people in their just struggle against Israeli aggression and expansion. He condemned Israel's barbarous acts of invading Lebanon and killing Palestinian and Lebanese people. He also condemned the United

States for supporting and conniving at Israeli aggression and expansion.

The Premier said that China will continue to make efforts, along with other peace-loving and justice-upholding countries and peoples, to stop Israeli aggression and force Israel to withdraw its troops from Lebanon immediately and unconditionally. The Chinese Government and people firmly believe that no matter what difficulties the Palestinian and other Arab people may encounter on their road ahead, they will surely emerge victorious in their just struggle.

Ali Lutf Al-Thaor, leader of the delegation and Foreign Minister of the Yemen Arab Republic, praised China's firm and clear-cut policy concerning the Palestine and Arab cause. He said: "Your policy will help us win victory in our cause."

China's Stand on the Crisis In Lebanon

Foreign Minister Huang Hua sent a message of greetings on July 12 to the Extraordinary Ministerial Meeting of the Coordinating Bureau of Non-Aligned Countries held in Nicosia, Cyprus, enunciating China's stand with regard to the crisis in Lebanon. The message said:

"We sternly condemn the Israeli authorities for their genocidal invasion against the Palestinian and Lebanese people in disregard of the UN Charter and basic principles of international law; Israel must stop forthwith its invasion against Lebanon and withdraw unconditionally all its troops from that country in implementation of the relevant resolutions of the UN General Assembly and the Security Council;

"We maintain that the Palestinian people must regain their national rights and that the Palestine Liberation Organization, as the sole legal representative of the Palestinian people, has the right to participate in a comprehensive and just settlement of the Middle East question;

"The independence, sovereignty and territorial integrity of Lebanon must be respected and no country is allowed to interfere in the internal affairs of Lebanon;

"In our view, the immediate pressing task is to stop the Israeli attack against Beirut and force Israel to lift its siege of Beirut and then to withdraw all its troops from Lebanon. The internal problems among the various parties of the Arabs should be resolved by themselves through consultations; the question of Israeli aggression must not be mixed up with the Arab internal problems, and it is all the more impermissible for outside forces to interfere in the internal affairs of the Arabs;

"We appeal to all non-aligned countries and other peace-loving and justice-upholding countries and peoples of the world to take urgent actions and work together to stop the Israeli acts of aggression, support the just cause of the Palestinian and Arab people and maintain peace in the Middle East."

Foreign Minister Huang Hua's message said in conclusion: "I am sure that the Extraordinary Ministerial Meeting of the Coordinating Bureau of Non-Aligned Countries will make positive contributions to safeguarding the principles of the UN Charter and norms guiding international relations and maintaining peace in the Middle East and the world at large."

Hostile Policy Will Sabotage Sino-US Relations

DURING the hearings before the Senate Foreign Relations Committee on July 13 and 14, Senator Goldwater raised a series of provocative questions on Taiwan that were carefully prepared and were a deliberate distortion of facts. He enticed George Shultz into agreeing that the United States has never formally recognized the "political sovereignty and jurisdiction" of the People's Republic of China over Taiwan and insisted that the United States has the right to continue to sell arms to Taiwan according to the island's so-called "needs for defence." Being always hostile towards the Chinese people, Goldwater and other prominent figures in the Taiwan lobby have done their utmost to advocate a breakaway of Taiwan from China and tried hard to hinder and obstruct the development of Sino-American relations. Their performance at the hearings revealed their true colours as imperialists and hegemonists.

Shultz's Self-Contradictory Position

People have noticed that Shultz answered Goldwater's provocative questions in the affirmative. He did this despite the fact that while answering the question on China's "political sovereignty and jurisdiction" over Taiwan, he also quoted statements from the Shanghai Communique and the Joint Communique on the Establishment of Diplomatic Relations Between China and the United States, which acknowledge that there is only

one China. As a result, he has placed himself in a self-contradictory position.

It is an internationally recognized fact and principle that there is only one China, that Taiwan is part of China and that the Government of the People's Republic of China is the sole legitimate government of China. The US Government solemnly supported this principle in the joint communique on the establishment of the Sino-US diplomatic relations, thus making the normalization of the Sino-US relations possible.

In his recent letter to a Chinese leader, President Ronald Reagan reaffirmed: "The United States firmly adheres to the positions agreed upon in the Joint Communique on the Establishment of Diplomatic Relations Between the United States and China." But now, Goldwater and his supporters are denying the US Government's solemn commitment to China, vainly attempting to undermine the fundamental basis of Sino-US diplomatic relations and to deny China's sovereignty over Taiwan. This, of course, is absolutely intolerable.

It is a surprise to the Chinese people that Shultz echoed Goldwater's remarks which go against the principle laid down in the Sino-US joint communique. People now wait to see how Shultz will implement the US Government's policy towards China.

The Source of the Difficulty

The US sale of arms to Taiwan constitutes a grave violation of China's sovereignty and a serious interference in China's internal affairs. The Chinese Government has consistently opposed this US act and lodged serious protests against it on several occasions.

We wonder why a US Senator has gone so far as to disregard China's views and advocate continuing to sell weapons to Taiwan according to "Taiwan's so-called needs for defence"? Should this proposition prevail, would not the Shanghai Communique and the Joint Communique on the Establishment of Sino-US Diplomatic Relations become mere scraps of paper? Should the US Government go back on its word on such an important question of principle, how seriously, then could the US Government's foreign policy be considered?

Goldwater's hostile remarks towards China and the Chinese people made at this difficult juncture in Sino-US relations show most clearly the source from which such difficulty comes.

Sino-US relations will be sabotaged if the views held by Goldwater and his like prevail. This would run counter to the fundamental will of the Chinese and American peoples. What course to follow—that is a question to which the US administration must make a serious answer.

—*"Renmin Ribao" commentary (July 18)*

Hanoi's Diplomatic Offensive

THE proposal for the convocation of an international conference on Southeast Asia advanced by the foreign ministers' conference of Viet Nam, Laos and the puppet regime of Phnom Penh is part of Hanoi's diplomatic offensive launched in connection with its alleged "partial troop withdrawal."

The Vietnamese authorities said the proposal reflects Viet Nam's "consistent and sincere peace policy" and its desire to conciliate and coexist peacefully with the ASEAN member countries and to restore peace and stability to Southeast Asia. However, this proposal is in sharp contrast to Viet Nam's repeated attacks on the international conference on Kampuchea sponsored by the United Nations.

It should be remembered that Viet Nam condemned the international conference attended by more than 90 countries as "illegal" and "crude interference" in Kampuchea's internal affairs. Now, by proposing another international conference, Viet Nam evidently aims to resist the UN resolutions on Kampuchea and

the declaration of the international conference on Kampuchea.

Crucial Issue Not Mentioned.

Viet Nam's proposal made no mention of the crucial issue in the Southeast Asian situation — Viet Nam's occupation of Kampuchea. The cause of tension in Southeast Asia is Viet Nam's pursuance of regional hegemonism, its invasion of Kampuchea, domination of Laos and menace to the security of Thailand and other Southeast Asian countries. Therefore, the fundamental way to restore peace and stability in the region is for Viet Nam to cease its aggression and expansion and immediately withdraw all its troops from Kampuchea. Viet Nam's proposal for convening an international conference on Southeast Asia is aimed at diverting public attention from the Kampuchean issue to the so-called "Southeast Asian question" so as to cover up its occupation of that country.

Another Version of the "Regional Conference." The proposed international conference, according to the "Indochina foreign ministers' conference," should be attended by two state blocs — the Indochinese countries and the ASEAN as well as some countries concerned, and the so-called "Indochinese countries" include the Phnom Penh puppet regime. It is obvious that such a conference is but

another version of the "regional conference" advocated by Hanoi but flatly rejected by the ASEAN states. During the past few years, Viet Nam has resorted to various tricks — expressing willingness to have dialogues with ASEAN, or willingness to come into "contact" with Thailand — to lure the ASEAN countries to sit together with the Phnom Penh puppet regime at the negotiating table, thus creating an impression of ASEAN's de facto recognition of the Phnom Penh regime. Hanoi could then use this "legitimacy" to justify its "permanent" occupation of that country.

There are people in the international community who take the view that Viet Nam has begun to adopt a "comparatively realistic attitude" on the Kampuchean problem and has shown "flexibility," they even advocate making compromise with and concessions to Viet Nam. That is, to sacrifice the vital interests of the Kampuchean people in exchange for a political settlement of the Kampuchean problem. By putting forward this proposal, Hanoi meant to make use of this mood of appeasement to pass itself off as a "peace envoy" before the world public opinion, and under that cover to continue its policy of aggression and expansion. People have to keep vigilance against this.

— Li Yongming



Rollicking in the same boat.
Cartoon by Zhu Genhua

Mexico

The Presidential Election and the Institutional Revolutionary Party

MIGUEL DE LA MADRID, presidential candidate of the ruling Institutional Revolutionary Party (PRI), was elect-

ed President of Mexico on July 4 for a six-year term.

More than 20 million people cast ballots in over 50,000 poll-

De la Madrid on Mexico-China Relations

REFERRING to Mexico-China relations, president-elect De la Madrid told editor-in-chief Guillermo Nasser of *Ship of China*, a journal co-sponsored by China and Mexico, that relations between the people of the two countries have existed for ages. One of the reasons is that many of the ancient Indians who lived in Mexico came from Asia.

De la Madrid also said that one of the most typical costumes worn in Mexico is called "Chinese dress." Mexican and Asian are similar in character. The Chinese people are respected and esteemed by the Mexican people. The Chinese people have redoubled their efforts to raise their living standards and transform their country into a major nation important in global affairs.

De la Madrid pointed out that Mexico's foreign policy is similar to China's. Both nations defend world peace, oppose war and arms expansion as well as war preparation, desire to strengthen economic co-operation among the countries of the world and establish an international order advantageous to weak countries. He held that Mexico should increase its contact with China in diplomatic and cultural fields. In the economic field, Mexico will certainly sign mutually favourable agreements with China.

ing booths set up by federal districts and states to elect the new president and senators and deputies. It was reportedly the largest election ever held in Mexican history.

The PRI's presidential candidate was expected to win. The party has never encountered significant opposition and its candidates have obtained more than 70 per cent of the votes in every election. The position of the party has been consolidated. It tightly controls political power at all levels, including the senate and congress. Since nomination of the candidate last September, business, economic, political and religious groups have expressed appreciation and support for De la Madrid.

Foundation. Madrid's victory constitutes the PRI's tenth victory during the past 50 years. Because of its extensive support, the PRI has managed to remain in power in

a region of frequent coups and incessant upheavals. Since its founding in 1929, the party has become an alliance composed of 200 national and regional organizations functioning as a united front. PRI's structure and leadership has been steadily reformed and perfected. At present, it has 13 million members out of a population of 70 million. It has more members than any other party in Latin America. Its membership also

constitutes a higher percentage of the national population than any other Latin American political party.

Programme. The PRI's programme is in conformity with Mexico's conditions. In 1978, the most modest programme put forth at the PRI's Ninth National Congress was "raising the political, economic and social status of the masses." The party's most expansive programme called for "establishing a new society of social democracy, that is a country of independence, sovereignty, equality, freedom and prosperity."

Internally, the party advocates the implementation of representative democracy, permits opposition parties to participate in government and political affairs, and demands the state to play a leading role in economic developments. Externally, it advocates international peace, opposes imperialism and hegemonism, supports disarmament and elimination of the danger of war. It also actively supports the struggle to establish a more reasonable international new order.

— Yao Chuntao

US-European Conflict Getting Worse

SINCE the recent summit conference of seven Western countries in Versailles, the United States has brought pressure to bear on Western Europe regarding the question of steel

and farm products and the sale of gas pipeline equipment to the Soviet Union. This has generated strong dissatisfaction among West Europeans and the "unity" proclaimed at the Ver-

sailles conference is quickly disappearing.

The United States' Unilateral Move

After the negotiations on steel trade between the United States and the European Economic Community broke down, the United States unilaterally declared on June 11 its intention to impose an anti-dumping tax on steel products imported from EEC member countries. This has irritated the West European countries. Moreover, the United States has accused the EEC of dumping its surplus milk, grain, sugar and meat and thereby undercutting the United States by offering export subsidies for these products. The United States has said that if the EEC does not change this policy, it will use 1,000 million dollars to subsidize its farm exports.

President Reagan announced on June 18 that the United States had decided to extend its sanctions against the Soviet Union by banning subsidiaries of US companies abroad and other countries' corporations under US license from providing the Soviet Union with gas pipeline and other equipment. On June 23, the US Deputy Secretary of Commerce said that foreign corporations which violate this decision will not be permitted to acquire commodities and information from the United States. The United States has consistently opposed gas pipeline trade between Western Europe and the Soviet Union since it was initially proposed. However, no decision was made at the Versailles conference because both sides preferred a compromise. As a result, the United States' unilateral sanctions make it difficult for the West European

countries to continue their gas pipeline trade with the Soviet Union.

Western Europe's Tough Reaction

An EEC leader recently said that Western Europe's political and economic relations with the United States are extremely strained. West German Chancellor Helmut Schmidt and French President Mitterrand have expressed strong dissatisfaction with the United States' decision. Even British Prime Minister Thatcher, who almost always supports the United States, says that the United States' attempt to curb European involvement in constructing the pipeline is a mistake. Western Europe apparently intends to ignore the United States' decision and go ahead with the gas pipeline contract.

Some Western newspapers say that anti-US feeling in Europe is increasing. If both sides failed to restrain themselves, the Western alliance would be undermined.

Sources of the Problems

The deterioration of US-European relations results from contradictions.

The first is their strategy towards the Soviet Union. The Reagan administration is trying to take advantage of the Soviet Union's domestic and external difficulties by exercising economic pressure. The administration hopes this tactic will force the Soviet Union to abandon attempts to expand its sphere of influence. The Reagan administration wants Western Europe to follow suit by increasing its sanctions against the Soviet Union.

However, France, West Germany and other West European

countries are geographically close to the Soviet Union and their relations with it are different from those of the United States. They say that the United States' harsh policy towards the Soviet Union will undermine their trade and economic interests with the Soviet Union and other East European countries, sharpen their already intense relations with the Soviet Union and increase their difficulties. In addition, the anti-war, anti-nuclear peace movement is gaining momentum and anti-US feeling is running high in West European countries. These factors significantly influence policy-making in these countries.

Secondly, the United States and Western Europe have been faced with an economic crisis for two years and each is trying to find ways to improve its economy. This has inevitably led to sharp competition for markets and a potentially acute trade war between them.

Western Europe is militarily dependent on the United States, but it has become an economic rival. Therefore, on the one hand, it wants to strengthen its alliance with the United States in order to counter the Soviet threats, but on the other hand, it requires the United States to treat it as equal so that it can safeguard its interests and play a bigger role in world affairs. The United States, however, obstinately expects Western Europe to follow its policies although these policies are often self-contradictory. Moreover, while continuing to export grain to the Soviet Union, the United States is attempting to force Western Europe to stop its gas pipeline trade with the Soviet Union. The resulting dissatisfaction of Western Europe with the United States is understandable.

— Zhai Xiangqian

On the Question of Human Rights In the International Realm

by Shen Baoxiang, Wang Chengquan and Li Zerui

The authors of this article review the historical development of the concept of human rights. They also point out that in the name of human rights the bourgeoisie replaced the feudal lords' hierarchy by its privilege over money. Since 1945, respect for human rights has become an important issue in the international political struggle. In the 1970s, owing to the struggle by the third world countries, the concept was expanded to include new contents and the right to development has been regarded as a basic human right. The US-Soviet quarrel over human rights reflects their attempt to dominate the world. The article presents China's principled stand to defend human rights and the relationship between socialism and human rights.

HUMAN rights constitute an issue in present-day international activities and their discussions and examinations become part of the work of the United Nations. Countries hold different views about human rights because of their different social systems, political interests and degrees of economic development. This is also true of groups and individuals with different political tendencies. Therefore, the question of human rights is unprecedentedly complex and broad in scope.

Origin of Human Rights

In order to get a clear understanding of the question, let's recall the historical development of the concept of human rights.

The notion of human rights was first raised by Westerners two or three centuries ago. To challenge the privileges and religious authority of feudal aristocrats and the clergy in the Middle Ages, enlightened bourgeois thinkers at that time created the theory of natural rights and championed such human rights as freedom, equality and the pursuit of happiness. This theory became a powerful ideological weapon for the new emerging bourgeoisie in its fight against feudal autocracy.

The 1776 US Declaration of Independence declared that "all men are created equal, that

they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the Pursuit of Happiness." This was the first time that the bourgeoisie affirmed its demand for and stand on human rights in a political programme. The French constitutional conference, which resulted from the French bourgeois revolution, adopted in 1789 the Declaration of the Rights of Man and of the Citizen, which is known as the Declaration of Human Rights. "Men are born and remain free and equal in respect of rights," proclaimed the declaration. These natural rights "are liberty, property and resistance to oppression." The declaration, which later became the preamble of the French Constitution, put forward for the first time the slogan of human rights in legal form. The Declaration of Human Rights proclaimed the end of the rule of the privileged feudal class and the establishment of the political rule of the bourgeoisie.

The theory and slogan of human rights played a fairly progressive role in a historical period and reflected characteristics of that time, and they have exerted widespread influence in the capitalist world for a long time. Human rights were supposed to pertain to all human beings. However, this bourgeois slogan expressed the new bourgeoisie's claims in the most ordinary form of rights. In the name of human rights, the bourgeoisie replaced the feudal lords' hierarchy and hereditary privileges by those

The authors are theoretical or legal workers.

derived from its control of money. The rights of freedom refer mainly to the freedom to possess private property. The rights to pursue happiness refer, in fact, to the right to exploit labourers as much as possible and to pursue wealth. Marx pointed out: "The rights of men themselves are considered as privilege." (Karl Marx and Frederick Engels: *Collected Works*, Vol. 5).

For a long period of time, human rights existed as principles of some countries' politics and legislation. During World War II, especially after the founding of the United Nations, human rights concepts began to be widely applied in international relations and the guarantee of human rights became a widely accepted principle in the international community. During World War II, the atrocities of German, Italian and Japanese fascists, who massacred people in various countries, aroused strong indignation from the world's people, who demanded the guarantee of human rights and suggested that respect for human rights be the principle of postwar international relations.

The 1945 Charter of the United Nations declared: "We the peoples of the United Nations determined to save succeeding generations from the scourge of war, which twice in our lifetime has brought untold sorrow to mankind, and to reaffirm faith in fundamental human rights, in the dignity and worth of the human person, in the equal rights of men and women and of nations large and small." Respect for human rights has since become an important issue in the international political struggle.

New Development of the Concept of Human Rights

Rights develop as history develops and so do human rights. As a result of the development of history, changes in the economic and political situation, the emergence of new political forces and the development of various struggles in the international community, the concept of human rights has become higher in content than what was defined by the Western bourgeoisie in the 17th and 18th centuries. As far as the concept of human rights defined by the United Nations is concerned, there have been two major developments.

1. Over a long period of time, the bourgeoisie regarded possession of private property as its most important human right. Therefore, it ruthlessly exploited workers and drove them to poverty. Since World War II, the working

class' struggle for rights in capitalist countries has intensified, forcing the bourgeoisie to adopt some so-called welfare policies that gave certain benefits to the workers at their own expense.

Internationally, economic, social and cultural rights were embodied in the UN conventions on human rights. In 1966, the UN General Assembly adopted two important human rights conventions: the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights. (The two conventions, together with the Universal Declaration of Human Rights, are known as the international charter of human rights.) The latter purports to recognize the rights of everyone to work and to enjoy just conditions of work, to form trade unions, to receive education, to take part in cultural life and to enjoy social security. The addition of economic, social and cultural rights make the concept of human rights richer in content.

2. Another major development in the concept of human rights is the addition of the notion that the people of colonies and dependencies have the right to self-determination and development. The bourgeoisie proudly advocated human rights in its countries while conducting ruthless oppression and plunder in its vast colonies, semi-colonies and dependencies in Asia, Africa and Latin America. Colonialists and imperialists have never willingly conceded any human rights to the people of these countries and regions.

After World War II, the colonial people's movement for national liberation gained momentum. Many colonial countries achieved independence, joined the United Nations, took part in international political activities and put forward their own views about human rights. In recent years, third world countries have suggested that no one has a monopoly on definitions of human rights. Moreover, they oppose the restriction of human rights activities within the UN to European standard as they were in the past.

The 7th UN General Assembly in 1952 and the Asian-African Conference in Bandung in 1955 both affirmed that national self-determination is a prerequisite for fundamental human rights, thus linking the guarantee of human rights with the national self-determination of colonial people. In 1960, with the new emerging countries in Asia, Africa and Latin America leading the way, the UN General Assembly adopted the Declaration on the Granting of In-

dependence to Colonial Countries and Peoples, which declared that all peoples have the right to self-determination, and that "the subjection of peoples to alien subjugation, domination and exploitation constitutes a denial of fundamental human rights, is contrary to the Charter of the United Nations." The declaration clearly affirmed that the colonial people's right to self-determination is a fundamental human right.

By the 1970s, the struggle of the third world countries became all the more active in the realm of human rights in the United Nations, and new content was continuously added to the concept of human rights. In 1977, the 32nd UN General Assembly overwhelmingly adopted the 32/130 resolution proposed by the third world countries concerning the new concept of human rights, urging the United Nations to consider the new concept when promoting human rights and fundamental freedoms. The resolution showed that human rights not only included individual rights and fundamental freedoms, but also the rights and fundamental freedoms of nations and peoples.

The United Nations' human rights activities, the resolution held, should recognize that apartheid, all forms of racial discrimination, colonialism, foreign domination and occupation, aggression and threats against national sovereignty, national unity and territorial integrity, as well as refusals to recognize the fundamental rights of all peoples to self-determination and of every nation to exercise full sovereignty over its natural wealth and resources, constitute situations which are flagrant violations of human rights.

The resolution also pointed out: Lasting progress in the implementation of human rights is dependent upon sound and effective national and international policies of economic and social development; the continuing existence of an unjust international economic order constitutes a major obstacle to the realization of economic, social and cultural rights in developing countries, and the realization of a new international economic order is an essential element for the effective promotion of human rights and fundamental freedoms.

The UN Commission on Human Rights adopted a resolution in 1979 to include the right of development as a fundamental human right.

The struggle to strive for and safeguard human rights is now being linked to the struggle against imperialism, colonialism and hegemonism.

Some Western politicians and scholars reject the newest definitions of human rights. They place undue emphasis on personal human rights and advocate absolute individual freedom. They also claim these rights to be fundamentally necessary for economic development and ignore the reality of international politics.

One may ask: If a nation is deprived of the right to self-determination, a country is occupied by alien aggressors and the whole nation and people are enslaved and if a country is deprived of sovereignty over its wealth and natural resources and comes under control of colonialism, how can there be individual rights and freedoms? How can the basic conditions for economic development exist?

The fact is that today some countries and nations are in such conditions due to the control and enslavement by hegemonism, imperialism and colonialism. In such cases, defence of national rights becomes a precondition for respecting personal human rights.

Complicated Struggle Centring Around Human Rights

The UN's activities are an important aspect of the struggle for human rights in the world. The struggle is intricately complex and can be divided into the following categories:

1. The struggle of third world countries and other justice-upholding countries against the large-scale violation of human rights by hegemonism, imperialism, colonialism and autocracy. During recent years, the UN Commission on Human Rights has adopted a series of resolutions denouncing foreign armed occupation in Afghanistan and Kampuchea, actions which have destroyed the right to national self-determination, turned large numbers of people into refugees and seriously violated human rights on a large scale. At UN conferences, representatives from third world countries have repeatedly denounced the South African Government for its racial apartheid and discrimination. Israel has also been criticized because of its ruthless infringement upon the human rights of the Palestinian people.

2. The third world countries' struggle for the establishment of a new international economic order and the right to development and against exploitation of poor nations by rich nations. With strong support from third world countries, the UN conferences have passed numerous declarations and resolutions which

clearly stipulate that a new international economic order should be established, that every country has the right to exercise full and permanent sovereignty over its wealth and natural resources and that measures should be taken to improve the economy of developing countries. However, these just demands for the right to development, a constituent part of human rights, have been stubbornly opposed by some rich countries that advocate human rights. Consequently, not much has been achieved.

3. Activities of human rights for the improvement of society, humanity and culture. These activities include: elimination of discrimination against women, equality between men and women, proper care for the growth of youths and children, improved living conditions of the elderly and the handicapped and the promotion of education and science.

The United Nations has adopted a series of declarations and conventions, such as the Declaration on Social Progress and Development, the Declaration of the Rights of the Child, the Declaration on the Promotion Among Youth of the Ideals of Peace, Mutual Respect and Understanding Between Peoples, the Convention on the Political Rights of Women, the United Nations Declaration on the Elimination of All Forms of Racial Discrimination, the Declaration on the Rights of Mentally Retarded Persons, the Protocol Relating to the Status of Refugees as well as the Convention for the Suppression of the Traffic in Persons and of the Exploitation of the Prostitution of Others. Through various forms, the United Nations and many countries have taken part in a large number of such social and humane activities.

4. The struggle between the two superpowers centring around human rights. At the United Nations and other international conferences, the two superpowers, the Soviet Union and the United States, have accused each other of human rights violations. The United States claims that the Soviet Union is violating the fundamental human rights of people in the East European countries. The Soviet Union says that the United States is engaging in a "propaganda war of human rights," and has collected materials to denounce the latter for violating human rights. The superpower quarrel over human rights does not show their concern for human rights, but their attempt to dominate the whole world.

5. The bourgeoisie and some unscrupulous people attack the socialist system by taking advantage of human rights. Imperialists and

the Western bourgeoisie have never ceased to use human rights to attack and slander China, nor have they reduced their efforts to engage in ideological infiltration of China. Western propaganda machines have consistently distorted coverage of China's human rights activities and social conditions. They claim that the socialist democratic system violates the so-called "human rights." Some have even provided support for people in China engaged in illegal activities under the pretext of promoting human rights.

China's Principled Stand on Human Rights

As early as 1955, Premier Zhou Enlai pointed out in his report at an enlarged session of the Standing Committee of the National People's Congress made after his return from the Bandung Asian-African Conference that the 10-point principles of the declaration of the Asian-African Conference stipulate "respect for the fundamental rights and for the purposes and principles of the Charter of the United Nations, respect for justice and international obligations and settlement of all international disputes by peaceful means."

China's attitude is clear-cut with regard to the purposes and principles of the Charter of the United Nations, including respect for fundamental human rights.

Human rights are not an abstract slogan or an isolated question. They are closely related to international politics. The primary sources of the intense and chaotic international situation, the threat to human security and large-scale violations of fundamental human rights are hegemonism, imperialism, colonialism, especially the contention for hegemony between the two superpowers, the Soviet Union and the United States. The struggle to guarantee fundamental human rights can only be meaningful and succeed after it is combined with the struggle against hegemonism, imperialism and colonialism and becomes one of its components.

The most important task of the international community is to oppose the hegemonists' large-scale violation of fundamental human rights by their aggression against other countries. The Soviet Union's armed occupation of Afghanistan, which has resulted in millions of Afghan refugees living abroad, seriously violates the fundamental human rights of the Afghan people. With the support of the Soviet Union, the Vietnamese hegemonists have invaded Kampuchea and are slaughtering the

patriotic Kampuchean soldiers and civilians, thus depriving the Kampuchean people of their fundamental human rights. The aggression of the Soviet and Vietnamese hegemonists runs counter to the purposes and principles of the UN Charter and the international charter of human rights. The United States supports Israel's serious violations of the Palestinian people's fundamental human rights and helps the South African racists who are systematically violating the fundamental human rights of people in southern Africa. Such violations of other people's fundamental human rights have been repeatedly denounced by the just international public opinion and the Chinese Government and people.

Another important task of the international community in promoting and guaranteeing fundamental human rights is for the third world countries to strive for the right to economic development. Because the rich countries exploit the poor countries, the people of many third world countries live in poverty and the people of the least developed countries are in still worse conditions. Therefore, the international activities of human rights should show special concern for safeguarding the right of the third world countries to develop their national economies and changing their people's state of poverty. These are also an unshirkable duty of the United Nations, other international organizations and countries, especially the developed countries.

The human rights goals advocated by the United Nations and other international organizations in social and cultural areas such as the elimination of discrimination against women, the protection of children, taking care of the old and the handicapped, the elimination of illiteracy and the promotion of science and technology are also concerns of the international community. China will continue to make its contribution in these fields.

Using the slogan of human rights to interfere in other countries' essentially internal affairs is intolerable in international activities. China follows the Five Principles of Peaceful Coexistence and never interferes in other countries' internal affairs. It also holds that using alleged charges of human rights violations to vilify and attack China and to interfere in China's judicial and administrative affairs is an act unfriendly to China and the Chinese people

and a violation of China's sovereignty. China has to refute and oppose it.

Socialism and Human Rights

The human rights advocated by the bourgeoisie played a progressive role in history. Limited in concept, they primarily meet the needs of the bourgeoisie and are very deceptive to the working class and other working people. Class exploitation is the greatest social inequality. The system of exploitation is the major cause of various forms of social inequality. Under the system of exploitation of man by man, it is impossible to really satisfy people's demands for rights. Marxists hold that only when the system of exploitation is eliminated and social productive forces are fully developed can the broad masses of people fully enjoy political, economic, social and cultural rights and can the rights genuinely become universal.

China's socialist practice has proved that only the socialist system can guarantee the full implementation of the people's rights. By making revolution, China overthrew the rule of imperialism and feudalism, transformed the political system of dictatorship of big landlords and the big bourgeoisie, established the people's democratic political power, eliminated the system of exploitation and enabled social productive forces, science, education and cultural undertakings to develop rapidly. This has brought about a fundamental change in the political and economic positions of the Chinese people.

All the revolutionary achievements and all the rights the Chinese people gained are recorded in the Chinese Constitution. Its stipulations on citizens' freedom of person, political rights, as well as economic, social and cultural rights, and on equality of all nationalities, guarantee of the national minorities' legal rights and interests and prohibition of discrimination and oppression against any nationalities are specific manifestations of practising fundamental human rights. The stipulations on the inviolability of socialist public property, prohibitions against exploitation and guarantees of each individual's labour gains constitute a solid foundation for guaranteeing fundamental human rights.

These principles were reiterated in the recently promulgated draft of the revised Chinese Constitution, which clearly stipulates that the freedom of person of citizens, the personal dignity of citizens and the homes of citizens are in-

(Continued on p. 22.)

China's Policy on Absorption of Direct Investment From Foreign Countries

by Wei Yuming



The China Investment Promotion Meeting held last month in Guangzhou was a grand international gathering. Wei Yuming, Vice-Minister of Foreign Economic Relations and Trade, made a speech at the meeting on questions of common concern to foreign businessmen, including China's policies, investment guarantees, taxation and the autonomous rights of the joint ventures. The following excerpts are from his speech. — Ed.

WE have roughly adopted three forms of utilizing foreign capital: first, direct investment, including joint ventures, co-operative enterprises, joint exploration and exploitation, compensatory trade, and so on; second, medium- and long-term loans with middle and low interest rates provided by foreign governments and international financial institutions and various development funds; third, conventional commercial loans. Within the coming years, the absorption of direct investment should be taken as the most important form of utilizing foreign capital.

Since the Chinese Government adopted the open policy towards foreign countries in 1979, we have made encouraging progress in the absorption of direct investment from Xianggang (Hongkong), Aomen (Macao) and foreign countries. By the end of 1981, China had approved and built 40 joint ventures using Chinese and

foreign capital, more than 390 contracts for co-operative enterprises and 590 projects of compensatory trade plus offshore oil exploration and development, the absorption of foreign capital totalled 2,845.5 million US dollars. At the same time, some important rules and regulations concerning the absorption of foreign capital were drawn up and promulgated.

We have also found it necessary to adopt a series of corresponding policies on the absorption of direct investment from foreign countries.

1. It is necessary to meet the needs of China's economic readjustment, the four modernizations and the improvement of the living standards of the people and pay attention to economic returns.

The aim or starting point of all economic activities of China is to effectively readjust the national economy, speed up the four modernization programme and improve the living standards of the people. The absorption of direct investment from foreign countries must serve these ends. Therefore, while establishing joint ventures using Chinese and foreign investment, co-operative enterprises, joint exploration and development of natural resources and compensatory trade, we put emphasis on the following: (1) development of energy; (2) light industry, textile industry, food industry, pharmaceuticals, telecommunications and electronic industry; (3) building materials, machinery, iron and steel as well as chemical industry; (4) agriculture, animal husbandry and raising and breeding projects, and (5) tourism and service trades.

In addition to meeting the requirements of the above major trades, the absorption of direct investment from foreign countries should help promote the improvement of economic results. To be more specific, foreign investment must meet the following requirements:

(1) The adoption of advanced technology and scientific management should increase the output and variety of products, upgrade quality and save energy and materials.

(2) A small investment must yield quick and abundant returns and technical transformation can be carried out in the existing enterprises in every possible way.

(3) Exports will be expanded and foreign exchange earnings increased.

(4) Technicians and management personnel will be trained.

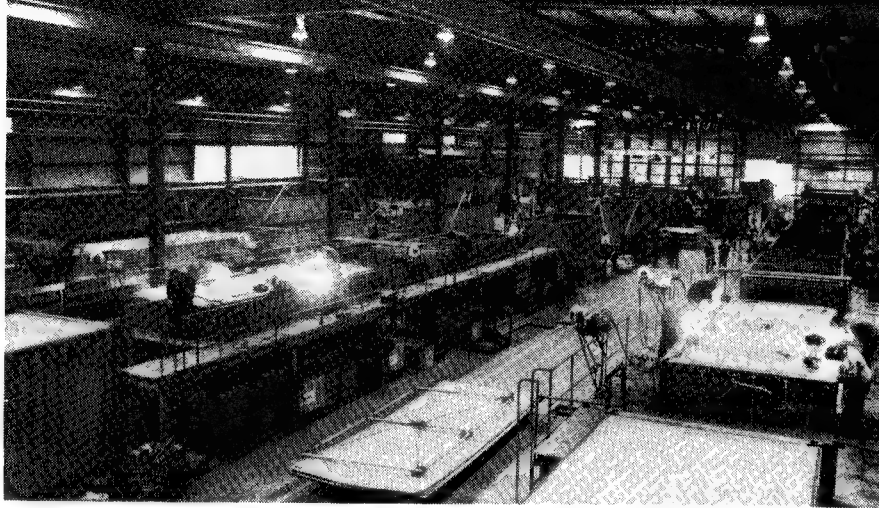
During the past three years, China's absorption of direct investment from foreign countries has basically met the above-mentioned requirements. (See the Special Feature "Joint Ventures With Chinese and Foreign Investment" in issue No. 17 this year. — *Ed.*)

There are approximately 400,000 large, medium-sized and small enterprises in China. The bulk of them require technical transformation to be carried out by stages and in groups in accordance with the necessity and possibility in order to economize on energy and raw materials, reduce production cost and raise productivity. This is an arduous task which is being facilitated by foreign capital. The technology of the existing enterprises should be renovated and reformed in every possible way. This is not only essential to China's economic readjustment and the four modernization programme, but also quite favourable for foreign investors. Among the 40 joint ventures approved, 23 are converted from existing enterprises, accounting for 57 per cent of the total number of joint ventures.

2. It is necessary to adhere to the principle of equality and mutual benefit and guarantee the legitimate rights and interests of both sides.

China has consistently adhered to the principle of equality and mutual benefit in handling and developing foreign economic relations and trade. This principle is reflected mainly as follows:

(1) The agreements, contracts and the articles of association negotiated between China and foreign investors are reached through full consultation on the basis of equality. No articles in the contracts and stipulations signed by both sides should be detrimental either to



China's first modern container factory run by the Guangzhou Shipyard and companies from Xianggang and the United States.

China's rights and interests or to the rights and interests of foreign investors. We will take into consideration our rights and interests as well as foreign investors' rights and interests and let the foreign investors earn profits.

(2) After the signing of contracts and articles of association, we will ask our partners to honour the contracts and commit ourselves to fulfilling the obligations stipulated in the contracts.

(3) The partners of joint ventures or co-operative enterprises using Chinese and foreign investment should participate in joint management and establish the manager responsibility system under the leadership of a board of directors with a management department under its leadership responsible for comprehensive management of the enterprise. Composed of members from both sides, the board of directors may discuss and make decisions on all major issues pertaining to the enterprises.

(4) The legitimate rights and interests and lawful profits of the partners of joint ventures or co-operative enterprises will be equally protected by China's relevant laws. All the partners are equal before China's laws.

During the past three years, China and foreign firms have co-operated satisfactorily in joint ventures and co-operative enterprises because China has conscientiously carried out the principle of equality and mutual benefit and the foreign investors have sincerely desired to co-operate.

Article 12 of the "Draft of the Revised Constitution of the People's Republic of China,"

promulgated on April 28, 1982, stipulates: "The People's Republic of China permits foreign enterprises, other foreign economic organizations or foreign individuals to invest in China in accordance with the stipulations of the laws of the People's Republic of China, or to undertake various forms of economic co-operation with Chinese enterprises or other Chinese economic organizations; all such investment or joint undertakings in China must accord with provisions of the laws of the People's Republic of China." "Their lawful rights and interests are protected by laws of the People's Republic of China." During the past 30 years, the Chinese Government has always abided by its promises in its relationship with foreign countries. As long as foreign investors do not violate the laws of the Chinese Government and the joint ventures and co-operative enterprises do not infringe upon China's public interests and public order, we will not confiscate their investments. Even in cases involving factors such as large-scale war and disastrous natural calamities—when and if foreign assets have to be requisitioned—the Chinese Government will handle affairs according to legal procedures and compensate in accordance with the principle of fairness and reasonableness.

Although we have not yet promulgated some relevant laws and regulations pertaining to patents, etc., it is quite necessary for us to consult with each other on the above-mentioned problems on an equal basis and make corresponding stipulations in the form of contracts. Once the contracts signed by Chinese and foreign firms are approved by the Ministry of Foreign Economic Relations and Trade or its authorized institutions, the contracts themselves will have a legal binding force on both sides. If new laws and regulations issued by the Chinese Government after the approval of the contracts conflict with the provisions in the contracts, common international practices will be followed. The original contracts should be subject to new laws and regulations issued after the approval of the contracts. But, those conflicting parts of the original contracts could be dealt with in accordance with the stipulations in the original contracts through mutual consultation and confirmation.

The legislative work on the absorption of direct foreign investment is being undertaken vigorously by the Chinese departments concerned. "The Rules and Regulations for the Implementation of the Law of the People's Republic of China on Joint Ventures Using Chi-

nese and Foreign Investment" will soon be promulgated. The Patent Law, the Corporation Law and other relevant laws and regulations are also being scrutinized and worked out. In the near future, China's relevant laws and regulations will certainly become increasingly perfect.

3. China guarantees that joint ventures and co-operative enterprises will have adequate autonomy.

Joint ventures and co-operative enterprises, which are special forms of economic organization in China, are somewhat different from state and collective enterprises. They should be allowed to adopt more flexible ways of management pursuant to their particular characteristics and requirements. Thus, it is necessary to guarantee them adequate autonomy with regard to personnel, finance, materials, production, supply and sales. Specifically speaking, on condition that they accept the guidance of China's state plan and observe the relevant laws, rules and regulations of the Chinese Government, the joint ventures and co-operative enterprises using Chinese and foreign capital can enjoy the following rights:

(1) To make decisions on their own development programme, production-management plan and labour-wages plan (report to be submitted to the competent authority and local labour department for the record).

(2) To buy the required raw materials, fuel and equipment including components, spare parts and accessories directly from domestic and international markets and to sell the products on these markets according to the provisions in the contracts signed.

(3) To sign various economic contracts with domestic and foreign companies and enterprises and fulfil their relevant plans through implementation of the contracts.

(4) To raise RMB and foreign exchange funds from internal and external financial institutions for production and management; to open accounts in RMB and foreign currencies in the Bank of China or other banks endorsed by it with the freedom of depositing, drawing, raising and spending the funds by themselves.

(5) To establish their own financial management and other management systems; to determine their own profit distribution programme as well as the financial budget and final account of revenues and expenditures.

(6) To hire and fire employees; to adopt the system of pay scale, wage-form, bonus and allowance systems they consider appropriate for rewarding and punishing employees.

(7) To take necessary measures to renovate and reform production techniques, to diversify products and to improve their quality and raise output according to the provisions laid down in the contracts and articles of association, to buy additional fixed assets with the funds accumulated by themselves and to expand the scale of production and operation.

China is a socialist country which takes planned economy as primary and market regulation as supplementary. It carries out all major economic activities according to the arrangements of the plan. Therefore, the principal programme on capital construction, supply, production and marketing of the joint ventures and co-operative enterprises, which constitute a component part of China's entire economic system, should be discussed and determined by the board of directors. The said programme should be included in the state plan through competent authorities. The joint ventures should run their business under the unified guidance of the state plan; otherwise, they can neither procure required materials, nor sell products on the domestic market on time; nor can they carry out their activities of production and management normally. It is quite obvious that the inclusion of the said programme in the state plan will facilitate the better realization of their autonomous rights.

4. We will do our utmost to create a favourable investment climate and convenient conditions for foreign investors.

Chinese and foreign technical personnel discussing plans for a joint venture in the Shekou industrial area in Shenzhen.



(1) **Sales market.** We hope the joint ventures and co-operative enterprises will do whatever they can to sell their products on the world market in order to increase foreign exchange earnings. But, we will also allow them to sell their products in China. With regard to the ratio between sales in China and outside China, it might be agreed upon and fixed by the partners in light of the concrete conditions of the products. For products urgently needed in China, the percentage of sales abroad may be smaller. For products not urgently needed or those which exceed domestic demand, the percentage of sales abroad should be larger. Products produced specifically for demand abroad should be sold outside China entirely or in overwhelming volume. For the joint ventures which have been approved and put into operation, the percentage of sales abroad ranges from as high as 80-100 per cent to approximately 20 per cent. When fixing the percentage of sales abroad, the joint ventures and co-operative enterprises should maintain enough foreign exchanges to pay their foreign partners the profits due to them, to pay their foreign employees and to buy required materials on the international market. That is to say, they should at least keep their balance of foreign exchanges.

(2) **The purchasing and selling prices.** When the joint ventures and co-operative enterprises buy goods and materials from China's domestic market, they should pay with RMB in conformity with the prevailing price. But the prices of valuable metals used as production materials (such as gold, silver and platinum), non-ferrous metals (such as aluminum, lead, zinc and tin), oil, coal and timber may be determined by the suppliers and users in light of the international market prices and be paid with RMB or foreign currency. This is due to the large gap between domestic allocation prices for such materials and prices on the international market. The supply of water, electricity, and heat to the joint ventures and co-operative enterprises as well as gasoline for transportation should be paid according to domestic prices.

In general, products for China's domestic consumption should be priced according to prevailing domestic prices and

be paid in RMB. The principle of pricing in accordance with quality must also be adhered to.

(3) **Tax.** Two basic taxes are levied on joint ventures and the co-operative enterprises. One is an industrial and commercial consolidated tax; the other is the enterprise income tax. The former is calculated against the turnover and will be included in the production cost. The latter is calculated against profits. China's tax rate is not only lower than that of developed countries, but also lower than that of certain developing countries. Apparently, the tax rate is very favourable for joint ventures and co-operative enterprises when compared with that for the domestic state and collective enterprises. Moreover, joint ventures and co-operative enterprises will enjoy the following tax preferences:

First, if the foreign partners import the equipment and materials as investment according to the provisions in the contracts and if they buy these goods from abroad for the establishment of the enterprises with cash from the registered capital, they can apply for reduction of or exemption from the import tariffs and the industrial and commercial consolidated tax according to the relevant domestic regulations. But, if they resell their equipment and materials on the domestic market, they shall make up the deficiencies resulting from tax reductions or exemptions.

Second, the raw and auxiliary materials, component parts and accessories and packing and packaging materials used for manufacturing products for sales abroad may be exempted from import tariffs and the industrial and commercial consolidated tax. But, by-products resulting from the manufacturing process and the products which cannot be exported but transferred to domestic markets will be taxed according to regulations. Regarding products which are to be exported and have a low rate of foreign exchange earnings, joint ventures

and co-operative enterprises may apply to the Ministry of Finance for reduction of or exemption from industrial and commercial consolidated tax on production links according to the Chinese Government's relevant regulations.

(4) **Labour wages.** The wages (or labour cost) of the Chinese employees in joint ventures and co-operative enterprises are composed of two parts: the first part is called actual wages which are given to the employees fully; the second part consists of labour insurance, free medical care and various subsidies provided by the state to the employees, which include rent, transportation costs, heating allowances, travelling allowances for family visits, price subsidies for food, oil and other foodstuffs as well as cost for social, cultural and welfare facilities. The sum of the second part is about 1.3 times that of the first part. According to statistics, under the category of the second part, labour insurance accounts for about 11 per cent, free medical care about 6 per cent, and various subsidies given by the state to employees (including rent and subsidies for food, oil and other foodstuffs) about 83 per cent.

(5) **Land royalty.** As to land royalty, we did not fix a national unified standard. It may be determined by the local people's governments of the provinces, municipalities and autonomous regions where joint ventures and co-operative enterprises are located according to factors such as the use of land, geographic environment and conditions, the costs for land requisition and moving inhabitants from dismantled houses to other places, the enterprise's demands for the infrastructures, etc. As regards the remote and industrially underdeveloped areas and trades with low rates of investment returns, land royalties might be lowered in an appropriate way. In cases where virgin land is developed for agriculture and animal husbandry, the land royalty may be reduced further. □

(Continued from p. 17.)

violable, and that the freedom and privacy of correspondence of citizens are protected by law. This shows that socialist democracy is in essence far superior to bourgeois democracy.

Anyone free of prejudice can see that the Chinese citizens' rights stipulated in the Constitution are superior to Western bourgeoisie's concepts of individual human rights.

Of course, the rights enjoyed by the citizens of a state are first subject to its social system

and then to its economic, cultural and other objective conditions. Therefore, in a developing socialist country like ours, full implementation of the citizens' rights will take time.

Along with the gradual improvement of our socialist democracy and legal system and the development of the four modernizations, our people's rights will surely be expanded and raised to a new height. Further evidence will prove that the socialist system is a reliable guarantee for fully implementing human rights. □

Foreign Investors See Bright Days Ahead In China

by Our Correspondent Han Baocheng

THE China Investment Promotion Meeting held in Guangzhou last month indicated a much keener interest in China by foreign investors than anticipated.

The meeting, jointly sponsored by the Chinese Ministry of Foreign Economic Relations and Trade and the United Nations Industrial Development Organization (UNIDO), attracted 1,200 people, 500 of whom are entrepreneurs and bankers from 24 countries and regions. It was the largest meeting of its kind ever sponsored by UNIDO.

During the four-and-a-half-day meeting, 1,550 negotiations took place between foreign business representatives and their Chinese counterparts. Because of the large attendance, each negotiation was limited to 50 minutes.

By the end of the meeting, documents of intent to invest had been signed for 69 of the 121 projects offered by the Chinese side. Signers came from the United States, Italy, France, Britain, West Germany, Japan, Austria, Belgium, Indonesia, Finland, Sweden, Australia, India and Spain as well as Xianggang (Hongkong) and Aomen (Macao). Thirteen of the projects are in the light industry, 8 in textiles, 3 in chemical industry, 10 in building materials, 4 in machine-building, 10 in meter manufacturing and metallurgy, 9 in electronics and 12 in foodstuffs, pharmaceuticals and forestry. Before the meeting, the UNIDO estimated that documents of intent would be concluded on 15-20 per cent of the 121 projects offered. The actual figure was 57 per cent.

"In this significant attempt, the most important thing to do is to discover a

form of co-operation that both sides regard as acceptable and beneficial," Dr. Khane, executive chairman of the UNIDO, said.

After the meeting a number of foreign business representatives continued talks with their Chinese counterparts. Those who signed documents of intent either continued their talks or visited factories in which they intended to invest.

Mr. Gunter P. Borrosch, Vice-President in charge of marketing for the Gleason Works, a US company, signed a document of intent with the Beijing Plastic Moulding Factory. He said that before he arrived in China, he had only expected to arrange some business transactions because he was not confident about prospects for co-operating with China. Nevertheless, he returned home satisfied because he found an ideal partner during the meeting.

After signing the relevant documents, Borrosch travelled with his Chinese partners to Beijing where he visited the Beijing Plastic Moulding Factory and another large plastics factory. He claimed satisfaction with what he saw in the factories. He also said his Beijing visit provided him with an understanding of the technical level of producing plastic moulds in China and its market for these products. Mr. Borrosch expressed willingness to set up a moulding making centre in China with the same processing capacity and level as the Alliance



Foreign businessmen entering the conference hall.

Carolina Tool & Mold Co. He said that he intends to exchange with his Chinese partners a catalogue of equipment to be exported to China and the plan for the layout of a factory. He and several mould experts will come to Beijing in September to work out details of the co-operative project.

Hiroyuki Nakata, Manager of the China Section of the International Department of the Tokai Bank, Ltd., Japan, was equally satisfied with the meeting. "The projects presented at the meeting are most suitable for medium-sized and small enterprises," he said. "Most of the customers of the Tokai Bank are precisely medium-sized and small enterprises."

"Not many of our customers attended this meeting," he said, "because some of them worried that they might not be able to adapt themselves to China's socialist planned economic system and they are not clear about the decision-making process for the joint ventures. From the speech by Vice-Minister Wei and my contacts with many people in your country, I realized that so long as both sides consult each other sincerely

and sign an authoritative contract, such problems will not occur."

He also said he would like to inform his customers of China's new policy and new practices.

During the meeting, Selwyn E. Stokes, the Project Development Manager of Asia Dairy Industries (HK) Limited, signed two documents of intent with the Heilongjiang Provincial Light Industrial Bureau. This northeast province is one of China's major grain producing bases and its dairy products enjoy a nationwide reputation.

"We are very interested in the projects we are negotiating with China for possible co-operation," said Mr. Stokes. "We are confident that expanded dairy production in Heilongjiang will create greater value for China's export," he said. He also said it is too soon to determine which co-operative projects will achieve the most success. "But," he added, "with our company's advanced technology and experience, we are confident about co-operating with China in the dairy industry." □

Behind Those Walls

by Our Correspondent Li Xia

SIDE by side with the new Beijing of broad tree-lined avenues, modern high-rises equipped with electricity and running water sprawls the old city, abuzz with life and activity.

Winding narrow *hutongs* (lanes) banked with grey walls crisscross the city proper, broken intermittently by courtyard doorways. Thousands of people live behind those walls. Sometimes one family occupies a courtyard, sometimes it is shared by as many as 10 unrelated families.

Courtyard No. 7 on Tieyingbei Street is in the eastern part of the capital. Its main rooms line the north and south walls of the courtyard and are connected on the east side by a series

of cramped kitchens, built into what was formerly an open corridor.

The courtyard has one outdoor water tap and no toilets. Public toilets are located in the nearby *hutong*, outside the courtyard.

The rooms are shared by eight families of diverse ages and occupations. Yet, the crowded living, the lack of modern conveniences, the smaller and larger disagreements, joys and tragedies of their lives, have not kept them from being good neighbours.

For several years in a row, this small community has been cited as a "five goods"* courtyard by the local neighbourhood committee.

Three Generations Under One Roof

The largest family in the courtyard is held together by energetic matriarch Zhao Shuzhen. She and her husband, Wu Pirang, a retired shop assistant, live with their children and grandchildren in quarters that are much too close, and yet they rarely quarrel.

* The "five goods" are: good in work and study; good in implementing state policies and being law-abiding; good family and neighbourhood relations; good in family planning and educating children; good in doing away with old customs and habits and good in manners and behaviour.

Three generations living together is not considered optimal in Chinese cities, and usually occurs only because of the acute housing shortage or because the oldest generation is in poor health and needs care.

There is no question that this family belongs to the first category. Despite her 65 years, Zhao Shuzhen runs the household with creativity and thrift. She collects 125 yuan a month from the family members to pay for foods, coal, rent, water and electricity, and other daily needs (rent, water and electricity throughout China usually cost about one-tenth of one's monthly income).

Her husband contributes 30 yuan from his 75 yuan monthly pension. Her son, an accountant in the city agricultural bureau, and daughter-in-law, a middle school teacher, have a combined income of 130 yuan and contribute 80 to the household. Her daughter puts in 15 yuan from her 40 yuan monthly wage as a clothing factory worker.

Zhao makes clothes for the family, gives haircuts, prepares pickles and performs other tasks that reduce expenses. Before she retired from doing odd jobs in the neighbourhood, she accumulated enough savings to purchase a TV set, a sewing machine and a ventilator — all of which contribute to their medium-level living standard.

She does not expect help from her daughter or daughter-in-law, instead, she urges them to devote all their energy to their work. But both younger women do what they can to help. The three women have maintained good relations through the 20 years since the son was married, sharing tasks and caring for each other in times of illness.

But, of course, conflict is inevitable in every family. Not too long ago the calm between the women erupted in the wake of the happy announcement that the son's family had been allotted a new home. He and his wife and three children were to move to three rooms with a total of 50 square metres.

The whole family was overjoyed, until the elder child of the family told her grandmother, "We're going to take away this wardrobe, this table and. . ."



A water tap shared by several families in the same compound.

Zhao was really angry at Zhou, her daughter-in-law, thinking she was scheming to take away her hard-earned furniture. Zhou, in turn, was hurt because it had not been her idea to do any such thing and she couldn't understand how her mother-in-law could think so badly of her. Despite the fact that the quarrel was based on a misunderstanding (taking the furniture had been entirely the child's idea), it took both men to iron out the differences.

In the end, when the family moved out they took away only some necessary furniture. They also assured the older couple that they had a spare room where their children's grandparents were always welcome to stay. Grandmother Zhao presented them with a housewarming gift of all-new kitchen utensils and equipment.

Raising Three Daughters

Raising three daughters is not easy, according to Li Guizhen, 45, another resident of the courtyard. She and her husband have their hands full working in the Beijing Chemical Fibre Research Institute, coping with courtyard life and struggling with the ins and outs of parenting their daughters, who all work in factories.

Although the girls are all around 20, in their mother's eyes they are still children who require a mother's guidance and care. They voluntarily give her their whole salaries, out of which she feeds and clothes them and gives

them money for reasonable expenditures. Naturally mother and daughters do not always agree upon what is reasonable. Once the second daughter asked for money to buy an expensive pair of four-inch heeled shoes. Her mother objected, saying that such high heels were impractical. She recommended that her daughter buy sensible two-inch heels instead. After some discussion, the young woman finally decided to follow her mother's advice.

The parents do not object to all expensive items. When the daughters asked for a tape recorder to help them learn a foreign language, the parents bought it unhesitatingly, even though it cost several hundred yuan.

The daughters have other disagreements with their mother. Once the second daughter, who had attended technical school, began to grumble about her master's conservative ideas.

"We have to do whatever he says. If we want to make a positive change, it's better not to let him know beforehand. We tell him only after the changes have been made and their benefits are a proven fact. Otherwise he objects to change."

Li was annoyed with her daughter's attitude. She herself trains apprentices who have made changes without informing her, a practice she thoroughly disapproves of.



The mother has bought a new pair of shoes for her daughter.

Although the daughter was not convinced that her mother was correct, she has learnt how to deal with disagreements with her mother, she said. The daughters' policy is to do what their mother says when she is right; and when she is not, just keep silent.

They feel that their father, perhaps by grace of his education at the Tianjin Textile College and his job as an engineer, is more open to new ideas. On rare occasions he intervenes in a disagreement between mother and daughters.

Last summer the eldest daughter wanted to travel to the famous summer resort in Chengde, northeast of Beijing. But her mother criticized her, saying, "Why? Do you mean there are no more scenic places to visit in this large city of Beijing? Why do you need to go so far away? Your father and I couldn't afford to travel when we were young — not even for a honeymoon."

The daughters pointed out that times change, and that it wasn't logical to think that just because the parents had suffered, the daughters should be expected to suffer, too.

Their father supported the youth, saying that travelling was a healthy, educational activity. He managed to change his wife's mind and the daughter took her journey with a light heart.

An Old Couple

On the surface, the lives of Jia Shuzhen, 63, and her 70-year-old husband, Hou Xike, seem quite sad. Hou Xike suffers from cancer of the rectum and was forced to retire nine years ago following an operation. Their only adopted daughter left to get married three years ago and rarely visits them. Jia is a housewife with little work outside the home.

But, courtyard life has made their lives quite enjoyable, they said. "I'm very happy living among my neighbours. We're like members of the same family," Jia said.

Hou receives a 56 yuan monthly pension from his shop assistant's job at Xinhua Bookstore and Jia earns an additional 20 yuan doing odd jobs. But because she is thrifty and organizes everything well, they manage to save 5 yuan a month.

Jia intended to use the savings to buy a TV set but her neighbours told her to keep it for something else. "Whenever you want to

watch TV, just come over to our house," they told her. The neighbours know that the old couple is especially fond of traditional operas and frequently vie with each other to be the first to invite Jia and Hou to watch them.

Other neighbours have helped in other ways. Some have shared delicacies with the old couple. Another made a dress for Jia. On New Year's eve (the most important family holiday in China), the two were invited to dinner at yet another home.

Despite the societal practice on women joining the work force, Jia says no one in the courtyard has ever made her feel inferior because she works at home. She often accepts letters from the postman for her neighbours when they are out, helps neighbour children mend their clothing, she even entertains her neighbours' guests when the hosts are not at home.

These acts of sharing and mutual concern contribute to her feelings of well-being. "I love to give a little help to my friends," she said with a sincere ring to her voice.

When asked how her daughter is, she replies immediately, "She's very busy with her work and her baby. She comes home for the holidays. When we miss her, we go visit."

But neighbours are more critical of the adopted daughter, saying she rarely visits her parents and gives them little economic or personal aid. Because this lack of filial feeling is quite out of keeping with Chinese tradition, the old woman is too proud to admit it, they say.

Among Neighbours

Mutual help and concern among the neighbours is common place.

Since Hou has to go to the hospital often for cancer treatments and his daughter is not around, his neighbours always help find a taxi or escort him to the hospital themselves.

Last year one old woman was left alone when her son was on his honeymoon. Neighbours came to help, fetching water for her every morning, preparing breakfast for her and lending her their daily paper.

All five members of Li Guizhen's family work, so they leave an extra key in the old couple's home and the old couple takes in their milk for them. The Lis often invite the couple to watch TV or to dinner.



Neighbours in the compound spend a happy Sunday afternoon together.

Such mutual help might seem insignificant, but it is not small matter when the help goes on for many years.

Of course not everyone can get along harmoniously with others. Retired woman worker Zhao Guizhen moved to her present residence because she couldn't get along very well with her neighbours in Dongsì Batiao. She often quarrelled with her neighbours over minor matters. But then one incident years ago made her change.

Her then teenage boy lost his way home and had not returned the next morning. She was greatly disturbed. Several of her neighbours went out to look for him. The boy was found on the second day with the help of the local police. After that she seldom quarrelled with her neighbours. Last year she was chosen to be a member of the neighbourhood committee mediating civil disputes.

But recently she was no longer on the committee. It seems it's difficult to change one's behaviour. But there is still hope she will improve once she is conscious of her shortcomings. □

Introduction to Vol. I Of "Selected Works Of Liu Shaoqi"

**Selected Works of Liu Shaoqi,
Vol. I (in Chinese)**

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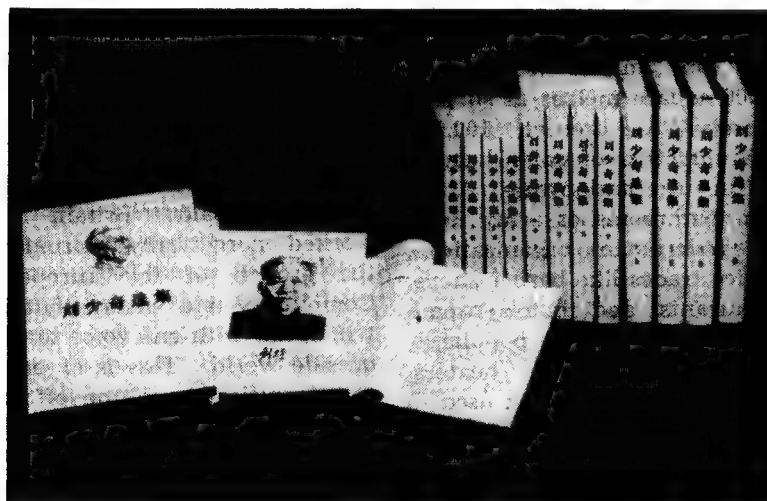
China, Communist Party of China and Chairman of the People's Republic of China. This book reflects his outstanding achievements and devotion to the Chinese people's liberation cause. It records his outstanding contributions to the formation and development of Mao Zedong Thought, which is the crystallization of the Party's collective wisdom, and embodies the rich experiences gained by the Party and people in their heroic struggles over the decades.

Liu Shaoqi was one of the outstanding leaders in the Chinese workers' movements dur-

working class is the leading class in China's national revolutionary movement; the peasantry is the natural ally; the petty bourgeoisie an important revolutionary force; the bourgeoisie may take part in the revolution but it cannot carry the revolution to completion; the working class should guard against its possible betrayal of the revolution. The imperialists and warlords were the targets of the national revolution. The article stressed that the working class should strengthen economic struggle in the movement against the imperialists and warlords and form an alliance with the working class of the world.

During the Second Revolutionary Civil War (1927-37), Liu Shaoqi participated in the Party's underground work in the Kuomintang-held areas. He rejected Wang Ming's "Left" errors and put forward correct proposals for preserving and developing the Party's revolutionary forces in the White areas. In 1936, Liu Shaoqi was sent by the Party Central Committee to the anti-Japanese frontlines, Beiping (now Beijing) and Tianjin, to co-ordinate the Party's work in north China and publicize the Party's new anti-Japanese national united front policy. Many of the articles he wrote during this period summed up the Party's experiences in the White areas. Nine of them are included in this book.

"Criticism of the Policy 'Withdraw From the Scab Unions'" written in January 1932 pointed out that politically conscious workers should join the scab unions where there were masses, get close to them, win them over, carry out patient, arduous and long-term work among them and accumulate strength in the White



China, includes important works written during the new-democratic revolution (1919-49). It contains 38 articles concerning workers' movements, underground work, Party building, the united front and armed struggle.

Comrade Liu Shaoqi (1898-1969), a great Marxist, proletarian revolutionary and theorist, was Vice-Chairman of the Central Committee of the Com-

ing the First Revolutionary Civil War (1924-27). This book contains three articles written during that period. One of them, "The Position of the Working Class in the Revolution and the Policies of the Working Class Movement," was the concluding part of the report he delivered at the Third National Labour Congress during May 1926 in Guangzhou. The article pointed out: The

competitions during the Spring Festival. Victors of *weiqi* (go) and Chinese chess emerged from the 60 contestants after one-week of stiff competition. Xining city in Qinghai Province organized a sharp shooting match for veteran army cadres.

Organization is vital to the popularization of physical fitness activities for senior citizens. Beijing, Shanghai, Hebei, Zhejiang and Anhui have set up their own physical culture associations for seniors. The Shanghai association has more than 10,000 members and Hebei District association in Tianjin has enrolled 1,000 members in the first six months since its founding. Members pay a membership fee and take part in the activities. Preparations are being made to organize a national association.

Relying on their members, these associations organize competitions, hold lectures, arrange tours, conduct sports activities and provide health checkups. The Guangzhou physical culture association for seniors has five groups: track and field, swimming, ball games, *wushu* and chess and bridge.

AQUATIC PRODUCT

Prawn Breeding

More than 1,600 million prawn larvae are expected to be bred this year utilizing a mechanical artificial breeding technique developed by Chinese scientists.

The new process covers the whole process of prawn growth, including egg laying and hatching. Technicians provide artificial ecological conditions necessary for breeding prawn larvae so as to ensure a stable output.

At a national meeting in Qingdao prawn breeding ex-

perts acclaimed this process as one of the most advanced in the world, both in principle and method.

In the past, China had mainly relied on natural conditions for breeding prawn but this produced an unstable supply. The new technique enables China to artificially breed prawn larvae, thus being less dependent on natural conditions.

The new technique was developed by the Yellow Sea Aquatic Products Research Institute and the Institute of Oceanography under the Chinese Academy of Sciences in co-operation with aquatic breeding farms. Experts have acquired rich knowledge about feeding, control of water temperature, composition of water, larvae density and disease prevention.

Many experts and technicians have mastered the technique. Following the popularization of the technique, aquatic breeding farms in China's coastal areas have in the past three years been able to supply enough prawn larvae to meet the country's needs.

This year about 85 hectares of sea area have been allocated for prawn breeding by Dinghai County of Zhoushan Islands, Zhejiang Province. It produced an average of 167,000 larvae per cubic metre of water, sufficient to fulfil local demand.

BIOLOGY

Evolution Probed

Chinese scientists have made contributions to piecing together man's understanding of evolution.

Zheng Zuoxin, an ornithologist, has challenged the widely accepted theory that the place where low-form life now exists

is where it originated. Zheng Zuoxin, after conducting a meticulous study of China's 33 species of babblers, including their physical characteristics, areas of habitation and subspecies differentiations, concluded that low-forms no longer occupy their place of origin; the places where organisms of higher form are concentrated is where they originated, but lower forms of the same genus have been pushed to the marginal area and are threatened with extinction. This "competitive exclusion principle" corresponds with Darwin's theory of "superior succeed inferior."

The evolutionary process from prokaryote (an organism without a real nucleus) to eukaryote (an organism with a nucleus) has remained a mystery which fascinated biologists. In the 1970s, Zeng Chengkui predicted that there must have existed some form of primitive green algae without real nuclei during this process. In 1975 R. Lewin, an alga expert from the United States, discovered a one-cell alga in lower California, Mexico. Zeng Chengkui suggested that it was a primitive green alga. Scientists around the world accepted this conclusion and established prochlorophyta in taxonomy. Zeng Chengkui has recently discovered a similar alga off the coast of the Xisha Islands, further verifying his conclusion.

The modern horse evolved from a multi-toed animal. Three-toed-horse fossils are found in the late Tertiary Period, 12 million to 1 million years ago. Recently Chinese scientists resorted and reviewed their three-toed-horse fossils from the Tertiary Period. The 22 species were reclassified into 15, eight of which are newly defined species. This reclassification clarified the evolution of the three-toed horse.

A Medical Reference Work

Dictionary of Traditional Chinese Medicine (in Chinese and Japanese)

《中医大辞典》

Edited by the editorial committee of the Dictionary of Traditional Chinese Medicine,

Published by the People's Medical Publishing House,

Distributed by Beijing branch of Xinhua Bookstore,

Price: RMB 3.25 yuan (per volume).

Chinese medicine is recognized worldwide as a source of traditional medical knowledge; the new *Dictionary of Traditional Chinese Medicine* will help practitioners and researchers tap this information.

Traditional medicine has contributed to the health of China for 3,000 years and has earned the trust of the Chinese people. In modern times its prestige has spread abroad. However, regardless of its popularity, a comprehensive dictionary to its terminology was lacking.

Recognizing the need for such a work, the Ministry of Public Health in 1974 organized 11 schools of higher learning and research institutes to compile this dictionary. Over six years, nearly 100 experts and professors participated in the editing.

The dictionary has 45,000 entries including theories, clinical diagnoses, traditional medicines, prescriptions, acupuncture, massage, medical literature and a glossary of names.

The first of its kind, this dictionary has the following characteristics:

The entries are extensive and carefully edited. Since there are voluminous ancient medical books covering a wide range of topics, the editors made careful selections and comparisons. This yielded the present compilation which meets the needs of practitioners and researchers.

The text is rich but the language is simple and concise. The editors integrated theoretical discussions with clinical applications. In addition to ancient terminology, new terms, the products of present-day traditional medical practice, are also explained.

The section on basic theories includes the 5,000 entries on internal organs, channels, causes, onset and development of illnesses, dialectical methods of diagnosis, principle and method of treatments, *yin* and *yang* and the five primary elements (metal, wood, water, fire and earth), and the six influences (cold, heat, drought, moisture, wind and fire). The entries present concise interpretations in two to three hundred words.

The contents are researched, footnoted and objective. In referring to 10,000 medical classics, the editors came across questionable points. In such cases, they report the significance and role in the past and present of such clinical practice while at the same time noting their limitations.

The book is the result of combining Chinese and Western medicines. Some entries introduce modern research. For example, in the introduction of "wormwood," while relating its medical property, the latest research — wormwood can be used to manufacture anti-malaria drugs — is also included.

CHINA HANDBOOK SERIES

"How, really, is China today?" many people ask. This series answers the question by presenting China in its various aspects, including:

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The work is in eight volumes — basic theories; history of traditional medicine; gynaecology and pediatrics; internal medicine; surgery, orthopaedics, ENT and ophthalmology; traditional medicine; prescriptions; acupuncture, massage, *qigong* and physical fitness. The first three volumes in Chinese have already come off the press and publication is expected to be completed before the end of 1983. Starting this year, the Japanese edition of this dictionary is being printed in Japan.

— Jia Weicheng

HIGHLIGHTS OF THE WEEK

Call to Discuss Revised Constitution

Peng Zhen, Vice-Chairman of the NPC Standing Committee, has issued a statement calling on compatriots in Taiwan, Xianggang and Aomen and those residing abroad to join in the discussion of the draft of the revised Constitution which, as the fundamental law of China, should give expression to the will of the whole Chinese people (p. 5).

Policy on Absorbing Foreign Investment

Vice-Minister of Foreign Economic Relations and Trade Wei Yuming explains China's policies on absorbing direct investments from foreign countries, investment guarantees, taxation, the autonomous rights of joint ventures and other related questions (p. 18).

Life in Chinese-Style Courtyards

How is life behind the walls in the Chinese-style quadrangle

courtyards where many unrelated families live together? Our correspondent presents a close-up of life in a typical Beijing courtyard where, in spite of the lack of modern conveniences, eight families live together as good neighbours (p. 24).

Human Rights in International Realm

The concept of human rights differs with countries having different social systems and political and economic interests. In the international arena, the hegemonists, imperialists and colonialists talk pompously about human rights, but they are precisely the primary sources of threats to human security and large-scale violations of fundamental human rights. An analytical article by three theoretical workers reviews the historical development of the concept of human rights and expounds China's principled stand on this issue (p. 13).

Taiwan Lobby's Hostility To China

The US Taiwan lobby's hostility towards China is not new, but its antagonism towards the Chinese people at this difficult juncture in Sino-US relations merits close attention. A *Renmin Ribao* commentary declared that if the views held by Goldwater and his like should prevail, Sino-US relations would be sabotaged. China will never tolerate Goldwater or others to question its sovereignty over Taiwan (p. 9).



A typical Chinese-style house with the quadrangle design in Beijing.
Photo by Wang Chao

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Sketches by Fei Shengfu



A coal miner.

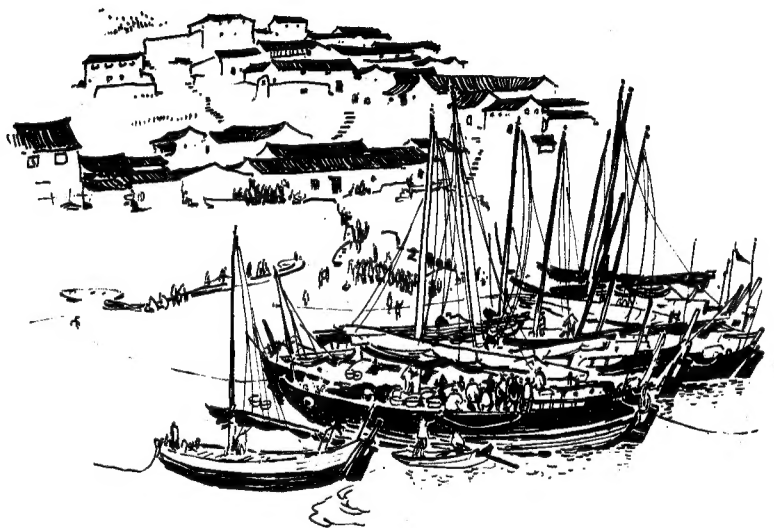
Working in an oilfield.



Fei Shengfu was born in Shanghai in 1927. Since his graduation from the department of drawing in the Central Academy of Fine Arts, he has engaged in drawing picture-story books. He also draws excellent book illustrations. His sketches are well-knit, solid, plain and realistic. He is now an editor for the magazine *Lianhuan Huabao* (Picture Stories).



An old woman in a mountain village.



A fishing village on the East China Sea coast.

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